90-300.08. TRUST FUNDS, SECURITIES, AND NOTES, MORTGAGES, AND TRUST DEEDS

A. General

This section provides information regarding the treatment of trust funds, securities, notes, mortgages, and trust deeds in the GR Program.

B. Acceptable Evidence for Trust Funds

Trust funds are usually verified by documents in the applicant's/ recipient's possession. Trust funds are assumed to be available to the beneficiary unless verification is obtained confirming the fund is conditionally, partially, or not available.

C. Court Ordered Trust Funds

A trust fund established by a court order defining conditions of release of the funds, is not available to the beneficiary until those conditions are met or a petition to void or nullify those conditions is granted by the court.

If the	Then
fund, in combination with other personal property, exceeds the property limit,	the individual will be required to reduce other assets and/or petition the court. The petition is to request release of the funds for the applicant's/recipient's support and for determination of the availability. No further petition is required unless the court's denial of the petition contains a specific time limit or condition established by the court which allows release of the funds.
time limit or condition has been met,	the individual will be required to re-petition the court for release of the funds.
court refuses to issue a final order or during the time the court is being petitioned,	the fund will be exempt as unavailable and aid may be granted, if otherwise eligible. Time limits for the petition process will be established and a Case Alert will be set for review.
court denies or grants the petition, in all or in part,	eligibility must be redetermined.

90-300.08. TRUST FUNDS, SECURITIES, AND NOTES, MORTGAGES, AND TRUST DEEDS, Continued

Court Ordered Trust Funds (continued)

If the	Then
applicant/recipient	the applicant/recipient, for whom the fund is
refuses to petition	held in trust, will be ineligible for aid.
the court, and the	
funds plus other	
property exceeds	
the property limit,	

D. Case Documentation

Describe in the Case Comments all activities involved in determining the fund's availability. Documentation must identify the beneficiary, where the trust fund is held, general conditions for release, current value, and requirements, if any, for petition of release.

E. Securities

The value of securities is to be determined at the time of application and reevaluated at least annually thereafter.

F. Stocks

Current market value of stocks is most easily determined from the daily newspaper listing of price per share. If the stock is not listed, the worker will contact a local brokerage.

G. Bonds

The value of U.S. Savings Bonds is determined by referring to the booklet, "Table of Redemption Values for U.S. Savings Bonds."

H.
Value
Determination
of Notes,
Mortgages
and Trust
Deeds

The value of notes, mortgages, or trust deeds is usually determined by documents in the applicant's/recipient's possession. Determine the current unpaid balance of the note (face value minus the total paid principal). An appraisal of the note will be required to determine the current market value. Appraisal will be made by a:

- licensed loan or mortgage broker
- bank or savings and loan association
- credit union officer

90-300.08. TRUST FUNDS, SECURITIES, AND NOTES, MORTGAGES, AND TRUST DEEDS, Continued

Value
Determination
of Notes,
Mortgages
and Trust
Deeds
(continued)

- insurance adjuster
- personal property appraiser.

Current market value will be based on several factors, including current market demand and interest rates, the principal balance, whether the note is a first, second, third, etc., and the repayment history of the note. A discount rate is established from which the appraiser determines value for the note. This rate can vary from the full face value to zero. If the appraiser refuses to set a value by indicating there is no market for the type of note in the applicant's/ recipient's possession, a face value of zero will be used for the eligibility determination.

I. Documentation

A. Stocks

Documentation for stocks will include the:

- name of the stock
- number of shares held
- current share or total value
- date of verification

B. Bonds

Documentation for bonds will include the:

- bond type
- face value
- series number
- serial number
- date of issue
- current value
- date of verification.

C. Notes, Mortgages, and Trust Deeds

Appraisals must identify:

- the note, mortgage, or trust deed appraised
- the current market value and date
- the name and affiliation of the appraiser.

One appraisal is sufficient verification.